

**Arizona Enterprise Zone Program**  
**REPORTING FORM A: FOR INCOME/PREMIUM TAX CREDITS**

*Employer's Annual Report to Commerce*  
*For tax years beginning January 1, 2004 through June 30, 2011*

Tax Year: \_\_\_\_\_ Enterprise Zone: \_\_\_\_\_

Is the business reporting Income Tax Credits or Premium Tax Credits?

\_\_\_\_\_ Income Tax Credit \_\_\_\_\_ Premium Tax Credit

**Section A: Business Information**

Business Name: \_\_\_\_\_

Business Tax I.D. Number: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Business Zone Location Address: \_\_\_\_\_

City, Zip Code: \_\_\_\_\_ Fax: \_\_\_\_\_

NAICS CODE: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Please select the one type below that best describes more than 50 percent of your business activity at the zone location.

_____ Back Office Operations	_____ Contracting	_____ Research & Development
_____ Business Services	_____ Education/Training	_____ Software & Computer
_____ Call Center, In-Bound	_____ Finance, Insurance, R.E.	_____ Transportation
_____ Call Center, Out-Bound	_____ Governmental Services	_____ Utility Provider
_____ Communications	_____ Health Services	_____ Warehouse/Distribution
_____ Construction	_____ Manufacturing	_____ Wholesale Trade
_____ Consumer Services	_____ Mining & Quarrying	_____ Other: _____

Please further describe the business activities at the zone location: \_\_\_\_\_

- If business name, address or ownership changed during tax year, please attach a description/explanation of the change.
- If filing a consolidated or combined return, please attach a list of the names and addresses of the member companies.
- Affiliated companies operating at one location submit only one reporting form for all activity at the location.

How does the business file Arizona State Income Tax Returns?

\_\_\_\_\_ Sole Proprietorship \_\_\_\_\_ C Corporation \_\_\_\_\_ S Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ LLC

What is the business year end date? \_\_\_\_\_

The law requires that this form be completed and filed with Arizona Commerce Authority for each year in which the taxpayer earned and claimed or used credits or is carrying forward amounts from previously earned and claimed credits. **To qualify for tax credits, the report must be filed with Arizona Commerce Authority by the earlier of six months after the end of the tax year in which the credits were earned and claimed or by the date the tax return is filed for the tax year in which the credits were earned and claimed.** Failure to timely report and certify to Arizona Commerce Authority disqualifies the taxpayer from the credit.

A separate form must be completed for each enterprise zone location at which the business is located and for each tax year. **Submit this report before filing form 304 with the Arizona Department of Revenue** (See Arizona DOR Website at [www.revenue.state.az.us](http://www.revenue.state.az.us)) or **form EZONE with the Arizona Department of Insurance.** (See Arizona DOI Website at [www.id.state.az.us](http://www.id.state.az.us)) **Please Note:** Documentation that the applicant is registered and is participating in the E-Verify program pursuant to A.R.S. §31-214.B

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**Section B: Income Tax and Premium Tax Credit Information**

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Calculate the average net new employment number using the following table. Include only full time employees who were **employed at least 90 days during the taxable year**. Credits are not allowed for leased or contract employees or for employees acting as independent contractors.

Companies filing a combined or consolidated tax return are considered to be one taxpayer. Limitations such as the 200 maximum qualified employment positions in a tax year apply to the combined or consolidated group.

**Refer to Corporate Tax Ruling CTR 02-5, Partnership Tax Ruling PTR-02 and Revenue form 304 and Insurance form EZONE Instructions for further information.** Taxpayers filing combined or consolidated returns that aggregate more than 200 new qualified employment positions for the tax year shall **adjust, on Form A, the number of employees for whom credits are claimed at each location to ensure the 200 limit is not exceeded.**

**Worksheet for Net Increase in Employees**

	# Of full-time Employees in Current Taxable Year	# Of full-time Employees in Preceding Taxable Year
1. January		
2. February		
3. March		
4. April		
5. May		
6. June		
7. July		
8. August		
9. September		
10. October		
11. November		
12. December		
13. Total (lines 1-12)		
14. Total # of months during the taxable year in which you were in business.		
15. Average (Divide # on line 13 by the # on line 14. Do not round)	(A)	(B)

**I Net Increase in Employees in the Tax Year**

Subtract 15(B) from 15(A) above. **Write remainder here.** If number is less than one, enter zero. If amount contains a decimal, round down to the next whole number. If line I equals zero or a minus number, you are not eligible for any first year tax credits.

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**II New Qualified Employment Positions Created**

Enter the number of qualified employment positions created during the taxable year (*count only full-time positions filled at least 90 days and paying at or more than the "wage offer by county" with at least 50% of health insurance cost for employee paid by employer*). "New" means not employed within the preceding 12 months.

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**III Maximum Number Eligible for Credits**

Maximum number of new qualified employment positions for which the employer may claim credits prior to the application of the 35 percent residency requirement. **Enter the smaller of line I or line II.**

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**IV Application of the 35% Residency Requirement**

a. Determine the number of employees in qualified employment positions that qualify for credit that were enterprise zone residents on the date of hire.

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b. Divide the amount on line IV (a) by 35% (.35) and enter the result here. If this amount contains a decimal, round down to the next whole number.

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**V Estimated Number and Dollar Amount of Credits Claimed, Used and Carried Forward**

a. Qualified Employment Positions for which business is claiming **first year** tax credits **this** year. Enter the smallest of: 200, or line III, or line IV (b) and the total dollar amount of credits claimed.

**Number** **Dollar Amount**

\$

b. Qualified Employment Positions for which business is claiming **second year** tax credits this year. *(Limited to positions for which first year credits were claimed on the original return, not an amended return.)*

\$

c. Qualified Employment Positions for which business is claiming **third year** tax credits this year. *(Limited to positions for which first and second year credits were claimed on the original return, not an amended return.)*

\$

d. **Total** amount of tax credits claimed this year.

\$

e. Enter the estimated amount of tax credits to be used in this tax year to offset tax liability. *(Use earliest carry forward credits first)*

\$

f. Enter the estimated amount of tax credits available for carry forward in all tax years. *(Prior years' carry forward plus credits earned this year.)*

\$

**VI Number and Dollar Amount of Credits Claimed, Used and Carried Forward on Prior Year's Tax Return (Confidential per A.R.S. §41-1525(D)). The use and carry forward of credits passed through to shareholders or partners must be reported.**

**Number** **Dollar Amount**

a. Qualified Employment Positions for which business earned and claimed **first year** tax credits on the prior year's tax return.

\$

b. Qualified Employment Positions for which business earned and claimed **second year** tax credits on the prior year's tax return.

\$

c. Qualified Employment Positions for which business earned and claimed **third year** tax credits on the prior year's tax return.

\$

d. Enter **total** amount of tax credits claimed on the prior year's tax returns. (Should equal the sum of lines VI (a), VI (b) and VI (c) above.)

\$

e. Enter the amount of tax credits used to offset tax liabilities on the prior year's tax return. *(The use of credits passed through to shareholders or partners must be reported.)*

\$

f. **Enter below** the amount of tax credits reported as carry forward on the prior years' tax returns. *(The carry forward of credits passed through to shareholders or partners must be reported.)*

		(a)	(b)	(c)	(d)	(e)
1.	Enter the tax year of the carry forward credit (in ascending order)					
2.	Original credit amount					
3.	Amount previously used					
4.	Tentative carry forward <i>(Subtract line 3 from line 2)</i>					
5.	Amount unallowable					
6.	Available carry forward <i>(Subtract line 5 from line 4)</i>					

7. **Total dollar amount available for carry forward: (6.a) + (6.b) + (6.c) + (6.d) + (6.e)**

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### Section C: Investment Information

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What amount was invested in fixed assets during the current tax year and the prior tax year **at the enterprise zone location**? If zero for any line, please explain. \_\_\_\_\_

Current Tax Year		Prior Tax Year	
Land:	\$ _____	Land:	\$ _____
Buildings:	\$ _____	Buildings:	\$ _____
Machinery & Equipment	\$ _____	Machinery & Equipment	\$ _____
<b>Total:</b>	<b>\$ _____</b>	<b>Total:</b>	<b>\$ _____</b>

What is the "full cash value" of assets **at the enterprise zone location** as stated on the most recent property tax bills? If zero for any line, please explain. \_\_\_\_\_

Real Property	\$ _____
Personal Property	\$ _____
<b>Total:</b>	<b>\$ _____</b>

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### Section D: Payroll Information

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What is the gross payroll for this year at this location? (Excluding: benefits, bonuses and commissions)

\$ \_\_\_\_\_

What is the average hourly wage paid to employees this year at this location?

\$ \_\_\_\_\_ /hr.

What is the total payroll for **Qualified Employment Positions** at this location?

\$ \_\_\_\_\_

What is the average hourly wage for employees in **Qualified Employment Positions** at this location?

\$ \_\_\_\_\_ /hr.

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### Section E: Health Insurance Information

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Employer must offer to pay at least 50% of the health insurance cost for employees that is provided by:

Policy #	_____	Effective Dates	_____ to _____
Company Name	_____	Agent or Contact	_____
Percent paid by company	_____ %	Phone Number	_____

► If employer is self-insured, attach documentation showing employer pays at least 50% of the fixed cost of the plan exclusive of claims payments, e.g. a copy of the Summary of the Plan or table of administrative fees and, etc.

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### Section F: Enterprise Zone Program Evaluation

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How important a factor was the enterprise zone program in your decision to locate, expand or remain in the enterprise zone?

\_\_\_\_\_ Very important  
\_\_\_\_\_ Important  
\_\_\_\_\_ Not important

Please share comments regarding your experience with the enterprise zone program:

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## Affidavit

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The undersigned swears that the information on this form is true and correct. Further, the undersigned swears that:

- A. The sale of tangible personal property at retail represented no more than 10% of the business conducted at this location, measured by either: the number of employees assigned to retail sales or the square footage of the facility used for retail sales activities. Unlimited types of retail consist of the following:
  - 1. Food and beverage for consumption on the premises solely by employees and occasional guests of employees at the location
  - 2. Promotional products displaying the company logo or trademark
  - 3. Products sold to company employees
- B. All Qualified Employment Positions (QEP's) for all years:
  - 1. Are full time (at least 1,750 per year).
  - 2. Pay at least the "Wage Offer by County" (see Enterprise Zone Reporting Guidelines).
  - 3. Provide health insurance for which the company pays at least 50 percent of the premium or membership cost.
- C. All Employees for whom credits are taken:
  - 1. Are residents of the state of Arizona
  - 2. Are authorized to work legally in the U.S.
  - 3. Have not been previously employed by the taxpayer within 12 months of the current date of hire.
  - 4. Performed their job duties primarily at the zone location of the business.
- D. All QEP's for which the taxpayer is claiming first year credits have been filled for at least 90 days of this taxable year.
- E. Thirty-five percent (35%) of the employees hired to fill QEP's for ***which the taxpayer is claiming or did claim credits*** were residents on the date of employment of an enterprise zone located in the same county as the business location.
- F. First, second and third year credits are taken only for positions on which credits were taken on the original, not amended, return.
- G. In accordance with A.R.S. § 23-214 (b) and § 35-397, all applicant employers must be participating in the E-Verify program in order to receive enterprise zone income tax credits. Secondly, pursuant to the above statutes, by signing this application, the applicant is certifying that the business does not have scrutinized business operations in Iran or Sudan and is not otherwise lawfully precluded from participating in any public funding activity with any Federal, State or Local Government. Signing the application without disclosing all pertinent information about business investments and business operations in Iran or Sudan shall result in rejection or cancellation of the application. The State may also exercise any other remedy available by law.

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I, as **an officer of the company**, certify under penalty of perjury, that after a thorough investigation of the facts, all information contained herein is accurate and true to the best of my knowledge. I understand that if the documents contain information that is materially false, the company will be ineligible for the tax incentives under the Enterprise Zone Program and will be subject to recovery of the amount of tax incentives allowed in this and preceding taxable years based on the false information, plus penalties and interest.

Signed: \_\_\_\_\_ Title: \_\_\_\_\_

Please print your name: \_\_\_\_\_ Date: \_\_\_\_\_

► **Questions regarding the information on this form should be directed to:**

Company Contact Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Please be sure that you have answered all of the questions. Mail or deliver this form to:

Enterprise Zone Program  
Arizona Commerce Authority  
333 N. Central Avenue, Suite 1900  
Phoenix, AZ 85004  
Phone: (602) 845-1200/Fax: (602) 845-1201

Company Name: \_\_\_\_\_ EZ Location: \_\_\_\_\_ Tax yr.: \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_ pages

LIST ALL FIRST YEAR EMPLOYEES AT THE ENTERPRISE ZONE LOCATION

Check if credits are claimed for the employee. 200 QEPs per taxpayer.	Employee Name	Street Address	City	Zip Code	Check if this address is in an EZ within this county.	Hire Date	Termination Date

\*If filing combined or consolidated returns, adjust the number of employees claimed at each location so the total number of employees claimed is not greater than 200.

